Face to face meetings and globalization: networks and collective learning at a trade fair for TV programs in Sub-Saharan Africa

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The aim of this research is to study the role of trade fairs in the globalization of markets. Despite the development of communication technologies and a digital economy, actors in global markets still need physical locations where they can physically meet, such as professional trade fairs, exhibitions or conventions.

In this research, I analyze the social construction of a market for TV programs in Sub-Saharan Africa through the study of a trade fair at which buyers (TV channels) and sellers of TV programs (studios, distributors and producers) are able to meet, negotiate, discuss, and close deals. I try to understand the role of this event in transforming the ways in which TV programs are “exchanged” in Africa and in the integration of the African TV programs market into the global one. TV program distribution at the global level has long been considered a market, but until recently in Sub-Saharan Africa, TV channels used to acquire programs “free of charge” in various ways. Political, economic, and technical developments have slowly transformed this sector into a market. The trade fair examined in this research has been organized since 2009 in different major African cities. It has a central role in this evolution because it is the first to bring this industry together in microcosm.

In more detail, I study the collective learning process among the attendees of the trade fair. I followed this event over three years and conducted three surveys in order to collect social network data and analyze informal information exchange relationships between attendees. I look at:

1. How the organization of this trade fair is part of the transformation of TV program distribution in Africa. I particularly underline the role of the organizer of the trade fair who created this marketplace and who schedules the meetings between attendees, thus matching supply and demand using several technical devices.

2. The coexistence of different ways of defining the value of a program at this trade fair. There are four different evaluation procedures emphasizing different dimensions of the products. The actors at the core of the network of information exchanges have a specific evaluation procedure and use their central position to institutionalize their definition of the value of programs.

3. How the network of informal relationships between participants has evolved over time. More than a set of contacts between buyers and sellers, network analysis reveals a market segmented into groups with different stakes and different ‘visions’ of the regulation of this market.

Combining qualitative, statistical and social network methods, I try to underline the complex co-evolution of norms and structure in the institutionalization of the market.

The social construction of prices: the impact of culture, networks, and institutional rules on stock quotations

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Prices in market economies are supposedly based on processes of supply and demand. In my dissertation, I challenge this conventional economic wisdom, arguing that stock quotations are also a result of the embeddedness of stock markets in culturally constrained frames of meaning, networks, and institutionalized rules. Economic sociology is well aware of such social forces in the constitution of markets, but most sociological investigations lack both theoretical and empirical evidence of how different types of market conditions influence prices.

Taking field theory as a starting point, three strings of price formation explanations are combined analytically, allowing us to consider the interaction of cultural frames, network positions and institutional regulations. Empirical-
ly, the construction of prices in US and German stock markets between 1995 and 2012 is compared. First, both historical financial traditions are described. Their impact on prices is tested in terms of household preferences and other socioeconomic variables in a fixed effect regression model. Secondly, the longitudinal network structure of stock listed companies is examined. Thirdly, the amendment of stock repurchase laws in Germany in 1998 provides a quasi-experimental setting for investigating different types of rule-based trading effects.

All three dimensions prove to be significant for the construction of stock market prices: (a) economic liberal traditions produce financial decisions on the part of households that have a strong positive impact on relative stock market capitalization, but vice versa in coordinated economies; (b) network topologies are also affected by these divergent cultural frames: relations in the S&P 500 are compartmentalized in many homogeneous sectoral clusters with finance companies as the most influential clique, whereas the German HDax network is characterized by a centralized structure and rather asymmetric cross-sectional relations, dominated by traditional industrial firms; (c) the informal rule of stock repurchases is well established in the United States, while in Germany it has only a short-term effect and even produces highly negative outcomes in the long run, hence, for private investors. Finally, the three dimensions are discussed in relation to each other, concluding that the combination of field theory and econometric methods widens the usual economic perspective and provides fruitful new insights into the social construction of prices.